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EXAMINER
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

1 RECORD OF ORAL HEARING  
2  
3 UNITED STATES PATENT AND TRADEMARK OFFICE  
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5  
6 BEFORE THE BOARD OF PATENT APPEALS  
7 AND INTERFERENCES  
8

9  
10 Ex parte SHIGEYUKI KAWAI and KOJI ITO  
11

12  
13 Appeal 2008-0885  
14 Application 09/720,079  
15 Technology Center 3600  
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17  
18 Oral Hearing Held: July 8, 2008  
19  
20

21  
22 Before MURRIEL E. CRAWFORD, LINDA E. HORNER, and  
23 MICHAEL W. O'NEILL, Administrative Patent Judges  
24

25  
26 ON BEHALF OF THE APPELLANT:  
27

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34

35 The above-entitled matter came on for hearing on July 8, 2008, at the U.S.  
36 Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia,  
37 before Dominico Quattrociocchi, Free State Reporting, Inc.

PROCEEDINGS

MS. BOBO-ALLEN: Calendar No. 12, Appeal No. 2008-0885, Mr. Dutton.

JUDGE CRAWFORD: Good afternoon, Mr. Dutton.

MR. DUTTON: Good afternoon.

JUDGE CRAWFORD: You can begin whenever you're ready.

MR. DUTTON: I'm ready.

JUDGE CRAWFORD: Yep.

MR. DUTTON: Okay. Yes, may it please the Court, my name is Brian Dutton arguing on behalf of the applicant for the patentability of the present claims. It's been a long afternoon, so I just wanted to keep everything brief. Much of my points and arguments can be found within the reply brief and the appeal brief; we've laid out things in detail.

One of the things that we've had is that in addressing the examiner's concerns we were trying to match up the art with his various assertions and allegations, and, you know, the examiner didn't really indicate where things were. But in that regard, we highlighted to the examiner in both the appeal brief and our reply brief that -- I guess if I can draw the panel's attention to claim 18, because I would like to focus on this claim initially because I think that this -- the following points could be dispositive of the issue at hand.

In the final two wherein clauses of claim 18, we have -- this money log data or electronic data, we have that being stored in two places, two places. We have it stored in the money terminal, and we also have it stored within the electronic device. And of course, we have in our brief identified the money terminal as item no. 25 and the electronic device as item no. 50.

1 And in looking at the Kasai reference, figure 1 in particular, they have this --  
2 what appears to be an IC card no. 10, and what we appear to try to identify,  
3 or it has some semblance as this money terminal as items 7 and 9. But while  
4 there is some sort of a table in item 10 of Kasai in that figure 1, there is  
5 nothing that we could find within either items 9 -- 7 or 9 of Kasai which  
6 would provide some sort of a similar storage of this money log data after it's  
7 been updated.

8 JUDGE HORNER: You're saying there's no storage of the log data in  
9 the terminal device?

10 MR. DUTTON: Correct.

11 JUDGE HORNER: Okay. Because I thought I had read in your brief  
12 the opposite argument, that you were arguing it doesn't update the money  
13 log data in the electronic device.

14 MR. DUTTON: We were arguing that it has to be in both places.

15 JUDGE HORNER: Okay.

16 MR. DUTTON: It has to be in both places, not just the electronic  
17 device, but also in the terminal device, as well. And the -- we feel that this  
18 Kasai reference fails to show that sort of feature.

19 JUDGE HORNER: Well, what about in column 6 of Kasai, around  
20 line 22 --

21 MR. DUTTON: I guess this is where it's doing the initial contracts --  
22 I mean, the initial contract?

23 JUDGE HORNER: No, this is talking about a transfer of money, and  
24 around line 19 it's talking about the MONDEX system and it says "If the  
25 transfer of electronic money is performed, its log or journal for the ten latest  
26 transactions is recorded in the IC card."

1 MR. DUTTON: Correct.

2 JUDGE HORNER: But then it goes on to say "A record of access to  
3 the service provider or bank and a record of the transfer of the electronic  
4 money or failure may be left in the storage unit of the computer." So it  
5 sounds like it's storing information such as what would be found in the  
6 money log in both the computer and in the IC card.

7 MR. DUTTON: Well, the question that I would have with that is  
8 what is that information that's being in both places? Is it the same  
9 information or is it something different? Is it residual information or is it  
10 actually something that's going to be in both places?

11 JUDGE HORNER: Well, it sounds like it's a record of whatever  
12 transfer occurred, and a record of the transfer, I would assume, would  
13 include the amount, maybe the date the transfer occurred. But it's some sort  
14 of record of the transfer --

15 MR. DUTTON: Well, I mean, we --

16 JUDGE HORNER: -- of money.

17 MR. DUTTON: Oh, I'm sorry. Well, just with this record, and if we  
18 take it at face value and say, okay, that there is some sort of record that's  
19 actually stored, the question in this reference here that leads the question, in  
20 my mind, is what is actually being stored in the money terminal? See,  
21 there's not sufficient detail within this particular patent to say what is being  
22 stored. So we feel that this patent is unclear, that it doesn't clearly show that  
23 there is information that is stored in one place that is also stored in the other  
24 place. And the way that our claim is written, we have this updated  
25 information being stored in both places.

1 JUDGE HORNER: So you're -- okay, so you're saying that because  
2 you used the said updated electronic money log data, the same data has to be  
3 --

4 MR. DUTTON: The same data.

5 JUDGE HORNER: I understand.

6 MR. DUTTON: The same data. And our spec clarifies that, too.  
7 Basically, on page, probably 24 of our specification, and starting at about  
8 line 20, it really talks about -- when it talks about this money log data, it  
9 identifies item D-23 and that entire table sequence there. And in reading the  
10 spec after pages -- between 24 and 26, it talks, the specification talks about  
11 information that's actually stored, the same information, in both places. You  
12 have the identification of terminals, you have the identification of cards.  
13 These things are stored in both places, and it's not just merely processing  
14 artifacts, but it's more or less the actual information itself that is used and is  
15 intended to be placed in both places.

16 This Kasai reference here, yes, there may be some processing going  
17 on, but it doesn't say that the information -- and this Kasai reference is quite  
18 explicit, quite explicit, in figure 1 of what that table, item 15, is, but it  
19 doesn't say how that is actually stored -- those items are actually stored off  
20 within this -- these elements 7 and 9 of Kasai.

21 JUDGE HORNER: Can you talk a little bit about the other argument  
22 you've raised in your brief, which was the payment method indication that  
23 indicates payment either using electronic money or installment payments?

24 MR. DUTTON: Yes. Yes. That item, if you look at our figure -- our  
25 flow chart -- which flow chart is that? Yes, our flow chart in figure 14 is  
26 probably the best example of that. And if you look at figure 14, you'll see

1 this block, SP-21, where there's a question being asked, how are payments  
2 made; are they made in installment payments where -- essentially, kind of  
3 like making a loan, or is it going to be kind of like a one lump payment, and  
4 this determination is made within that block at SP-21, which way that that  
5 payment is going to be made. And if it goes an installment payment, then it  
6 will branch over, processing will branch over into SP-100, but if not, then it  
7 will just fall through to SP-22.

8         So with that, these systems are basically -- and I'm glad you asked me  
9 that because one of the differences, as well, and the examiner in reading the  
10 appeal brief and the reply brief tried to address this, in a way, to make his  
11 argument fit together. And very skilled. I have to commend the examiner.  
12 However, it turns out that in our specification, our systems here are for  
13 point-of-sale systems. These are similar to cash registers at your local  
14 supermarket. The system in Kasai is not a point-of-sale system. In fact, it's  
15 just some sort of system where you actually pay a past bill. So it's not for  
16 making purchases. The examiner says, well, you know, it's for services, but  
17 the services have already been contracted. It's not a point of sale. The sale  
18 has already occurred. So therefore, we're talking about two different  
19 systems, first off.

20         And with this concept of the purchase of a commodity or a reception  
21 of services, you have -- you know, you're buying something and then there's  
22 this transaction amount, how much does it cost, and this whole thing just  
23 tends to fall through from that paragraph and the phrase through the rest of  
24 the claim. And that's an important point because this transaction amount, in  
25 our particular claims, has to be treated in a certain way. This transaction  
26 amount is being processed, you know, by the money receiving terminal,

1    whereas in the Kasai reference, the Kasai reference, it has in this table  
2    various amounts, but those tables are in the money card, they're not in the  
3    terminal.

4           Of course, in Kasai, they are, perhaps, moved up into the terminal in  
5    its processing, when it goes into the do loops, but what happens after that,  
6    that information, those transaction amounts are just basically summed up  
7    with other amounts to get a sum total in the Kasai reference. That  
8    information is never stored off again, that information is used just as far as --  
9    their sum total is just used entirely differently than the manner in which our  
10   claims are actually using our transaction amount information. So there are  
11   subtle differences between the two claims in the way that they've been --  
12   between the reference and the way that our claim is set up.

13           JUDGE HORNER: The table in Kasai, table 15 --

14           MR. DUTTON: Yes.

15           JUDGE HORNER: -- is talking about payment data, and it's based on  
16   a contract.

17           MR. DUTTON: Yes.

18           JUDGE HORNER: So you've got -- you could have installments  
19   here, right? You could have payments, a number of payments for one  
20   contract with different due dates?

21           MR. DUTTON: Okay.

22           JUDGE HORNER: Right?

23           MR. DUTTON: Okay, we'll take that line of argument.

24           JUDGE HORNER: Okay. I guess the point I thought you'd made in  
25   your brief, and correct me if I'm wrong, is that there is no indication -- let's  
26   see --



1 MR. DUTTON: Yeah, between an installment and --

2 JUDGE HORNER: "The payment method indication indicating  
3 payment of the transaction amount using electronic money or installment  
4 payments," and you had highlighted --

5 MR. DUTTON: Correct.

6 JUDGE HORNER: -- there's no indication that you're paying by  
7 installment rather than --

8 MR. DUTTON: Well by either/or.

9 JUDGE HORNER: Okay.

10 MR. DUTTON: You only have this one thing, this table, and there's  
11 nothing there which tells you that you're going to be making a payment  
12 either by this way or by that way. But I guess I've heard in various  
13 arguments and other forums that they'll say, well, if you have one way,  
14 because it's taught in the alternative, then that teaches the way itself. But the  
15 point here is that with that particular paragraph or phrase of our particular  
16 claim -- it's claim 18 that we're looking at -- the determination that goes on  
17 that, you know, you have this indication, you know, by the installment. So  
18 the thing is that it takes you along a certain path, and it's just -- looking at  
19 these two features together, these two particular phrases in that claim  
20 together, it sees that you have this sort of thing where you have a selection  
21 being made, and then from that selection, it's taking you along this particular  
22 path.

23 JUDGE HORNER: Yeah, if you select pay by installments, though,  
24 you're getting -- you're still paying a portion of that transaction amount using  
25 electronic money, right?

1           MR. DUTTON: Well, but there is no selection within the Kasai  
2 reference. You just have a table.

3           JUDGE HORNER: I'm just talking about the way to interpret your  
4 claim.

5           MR. DUTTON: Oh.

6           JUDGE HORNER: Let's look at just -- at claim 18, for example.

7           MR. DUTTON: Right.

8           JUDGE HORNER: You say, "Indicating payment at the transaction  
9 route using electronic money or installments." But even if you use  
10 installments, you're still using electronic money, you're just not paying the  
11 entire amount, right?

12          MR. DUTTON: Well, the installments could be coming from  
13 different places. It could be coming from a bank. So it's not necessarily  
14 from what's actually stored in the money chip, but it's coming from a  
15 different source, almost like a loan.

16          JUDGE HORNER: Okay.

17          MR. DUTTON: And then what happens there is that there are other  
18 things that kick in to see whether or not, you know the card is eligible for  
19 that sort of status, being able to receive installment payment. So the whole  
20 processing of the installment payments are different from -- if all of your  
21 entire funds are just on the money card, you know, then it's just deducted  
22 from the card itself.

23          JUDGE HORNER: Okay.

24          MR. DUTTON: But the thing is, is that with this Kasai, though, you  
25 know, I guess, you know, theirs is more or less how -- at least the first part  
26 of it, it appears to be that there are two functions. One is how do you pay

1 back the service provider, and the other function is how do you actually load  
2 up the card to say that you owe money. And so, the thing is, is that one is,  
3 again, is paying back, and the other is, you know, how do -- you know,  
4 saying that, you know, how do you load it up to say how do you owe money.

5 But our reading of it doesn't actually say how you're actually making  
6 the purchase. That's a gap right there, and that's something that appears, by  
7 the examiner's statement, to have occurred a while ago. So because of that,  
8 it appears that this Kasai reference and the way that this thing is operating is  
9 entirely different from the way that our system is operating in this function.  
10 And, you know, I guess the only similarity, maybe, is that they have an IC  
11 card, and that's about it.

12 JUDGE CRAWFORD: Any more questions?

13 JUDGE HORNER: No more questions.

14 MR. DUTTON: Okay.

15 JUDGE CRAWFORD: Thank you.

16 MR. DUTTON: Thank you very much.

17 JUDGE CRAWFORD: Thank you.

18 MR. DUTTON: Okay. Hopefully you enjoy the rest of your day.

19 JUDGE CRAWFORD: You too.

20 MR. DUTTON: Thank you.

21 (Whereupon, the proceedings concluded on July 8, 2008,  
22 at 2:18 p.m.)